

ANALYSIS OF ORIGINAL BILL

Franchise Tax Board

Author: Burton Analyst: Kristina E. North Bill Number: SB 215
Related Bills: See Legislative History Telephone: 845-6978 Introduced Date: February 13, 2001
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: California Peace Officer Memorial Foundation Fund/Allocation of Funds

SUMMARY

This bill would change the appropriation procedure for the California Peace Officer Memorial Foundation Fund.

PURPOSE OF THE BILL

Since the Commission is not a state agency, voluntary contributions to the Memorial are not appropriated in the annual budget bill. By designating the CHP as the state agency responsible for receiving the Commission's contributions, the author's office intends to ensure that the Commission timely receives the contributions without having to seek annual legislation to appropriate the money.

EFFECTIVE/OPERATIVE DATE

As an urgency statute, this bill would become effective and operative immediately upon enactment.

POSITION

Pending.

ANALYSIS

FEDERAL/STATE LAW

Current federal tax law provides a true checkoff to direct \$3 of a taxpayer's tax liability to the presidential election fund. Designation of the \$3 amount does not affect a taxpayer's tax liability or refund amount.

Current state tax law allows taxpayers to make contributions of their own funds (not tax liability) on their tax returns to the 13 voluntary contribution funds listed on the state tax return. Each fund provides for the reimbursement of the actual costs incurred by the Franchise Tax Board and the Controller to administer the fund.

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	_____ X PENDING

Department Director

Date

Alan Hunter for GHG

03/23/01

THIS BILL

Under the Administration of Franchise and Income Tax Laws (AFITL), this bill would change the appropriation procedure for the California Peace Officer Memorial Foundation Fund. This bill would allow the Legislature to appropriate in the annual budget bill voluntary contributions for the Memorial to the CHP for allocation to the Commission. This bill also would appropriate to the CHP for allocation to the Commission all money previously transferred to the Fund prior to the enactment of this bill.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not significantly impact the department's programs and operations.

LEGISLATIVE HISTORY

SB 2175 (Burton, Stats. 2000, Ch. 854) specified that the California Peace Officer Memorial Foundation Fund and the California Firefighters Memorial Fund would only have to meet the \$250,000 minimum contribution amount if their repeal dates were deleted.

SB 1230 (Burton, Stats. 1999, Ch. 215) established the voluntary contribution fund for the California Peace Officer Memorial Foundation.

PROGRAM BACKGROUND

Currently, the money contributed to the Fund is transferred from the Personal Income Tax Relief Fund to the State Controller for deposit into the Fund and eventual release to the fund recipient. Pursuant to statute, the State Controller may release the money to the fund recipient only after allocation by the Legislature. For fund recipients where a state agency receives the appropriation and then allocates the money collected from the fund to the fund recipient, annual appropriation is accomplished through the state's annual budget bill. For fund recipients where a state agency does not receive and allocate the money collected, the fund recipient must seek appropriation of the money through annual legislation.

NOTE: Until recently, the voluntary contribution funds generally were "continuously appropriated." However, the appropriations committees made a blanket decision to eliminate "continuous appropriation" so they could better control money spent by and on behalf of the State.

Thirteen voluntary contribution funds appeared on the 2000 California personal income tax returns. Total contributions to these funds have varied from approximately \$3.4 million in 1989/1990 to approximately \$3.3 million in 1999/2000. The number of individuals contributing (first tabulated in 1983) remains fairly constant at approximately 140,000, or slightly less than 1% of all taxpayers.

FISCAL IMPACT

This bill would not impact the department's costs.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

Kristina E. North
Franchise Tax Board
845-6978

Brian Putler
Franchise Tax Board
845-6333